



THE MARKET

From the corners of the 50 states to around the world, consumers are organizing, printing, archiving, gluing, communicating, identifying, marking, presenting, meeting, mailing, writing, personalizing, promoting, and designing with Avery® products. Whether it's an office worker mailing packages with shipping labels, a mother printing her daughter's soccer game photos on digital photo paper, or a college student highlighting notes with a highlighter, Avery brand products provide what you need for all of these functions.

Avery Dennison Worldwide Office Products — the company that markets products under the well-known Avery brand name — is the world's leading manufacturer of self-adhesive labels for laser and ink-jet printers, labeling software, binders, sheet protectors, index and tab dividers, and other office-, home-, and school-related supplies. Avery brand products are a common part of life for consumers.

ACHIEVEMENTS

As a result of the rapid growth of personal computing, PC software, and desktop printing technology, Avery Dennison has become a global office products leader in today's automated offices, homes, and schools. The company's philosophy is to provide high-quality, innovative products that make it easy for consumers to

achieve impressive results with their projects. That's what the company's slogan — “Great Results Begin with Avery” — is all about.

HISTORY

Avery Dennison Office Products — recognized worldwide for innovation and technological advancement — is part of the larger Avery Dennison Corporation, which was founded and built upon a single, revolutionary concept: the self-adhesive label.

Avery Dennison was founded in 1935 by R. Stanton Avery, who not only invented the world's first self-adhesive label, but pioneered an industry. In fact, the growth and development of the self-adhesive industry would set the stage for the introduction of Avery brand office products and the growth of a dynamic, global, office products business.

Until the late 1960s, Avery Dennison distinguished itself primarily as an industrial self-adhesive business. But as the pressure-sensitive industry grew and spread, the company began to concentrate on specific markets, segmenting different lines of business into specialized categories, such as office products.

In 1968, in partnership with Xerox Corporation, Avery Dennison developed the Xerox-brand copier

label, the first “office automation label.” Two years later, Avery Dennison entered the office products industry, introducing its own line of copier labels and quickly becoming the market leader in the field.

By the early 1980s, personal computers were replacing typewriters in the office, and Avery Dennison began manufacturing and marketing a broad line of office products for use with personal computers and desktop printers, beginning with labels for dot-matrix printers.

As personal printing technology began to evolve rapidly, so did Avery Dennison's innovation in providing more and more products and solutions for personal printing. With the advent of laser printing technology,

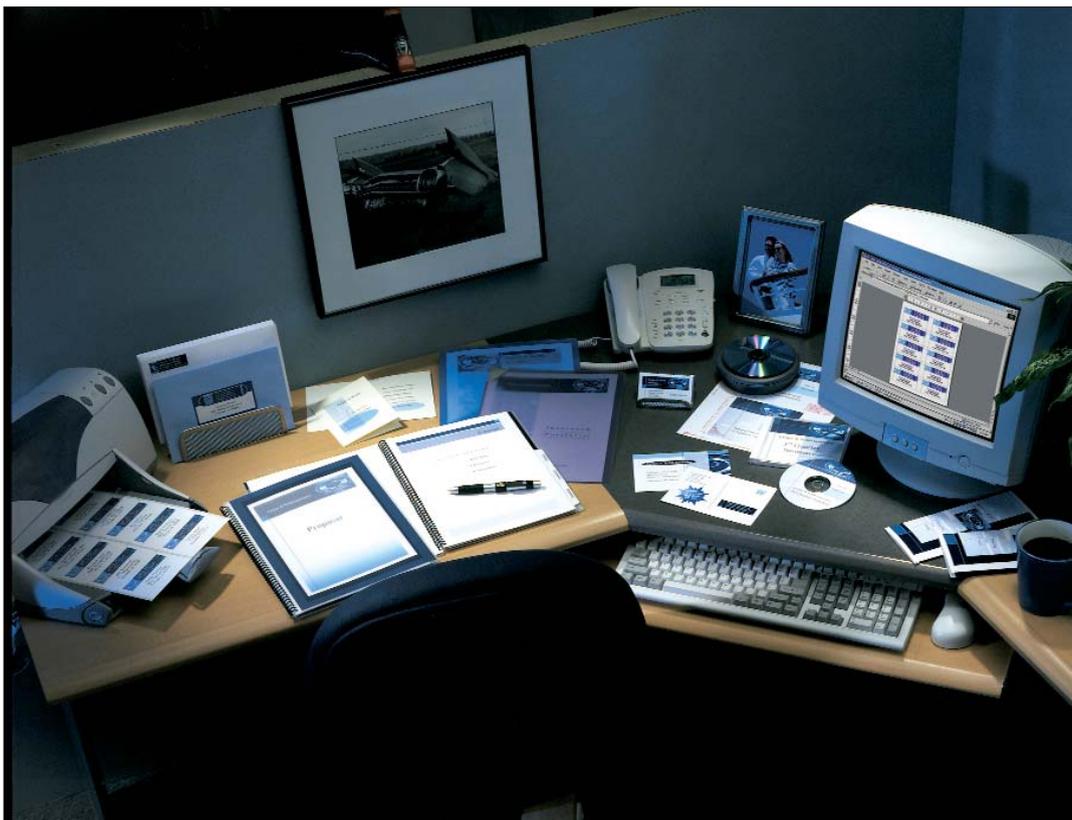
Avery Dennison developed and launched the first desktop laser printer labels, and Avery Laser Printer labels quickly became the market leader. Avery Dennison teamed up with Microsoft® to put templates in Microsoft software — to make it easy for consumers to design and print their own labels and other printable supplies. The company eventually developed relationships with many of the leading software manufacturers, such as Microsoft, Corel, Borland, and Lotus. During the 1990s, easy-to-use templates for Avery brand products began to be featured in leading word processing, spreadsheet, and database software.

Avery Dennison also forged relationships with leading printer manufacturers, such as Hewlett-Packard and Canon. The company established a Printer Lab to test all its printable supplies with a wide range of desktop printers. Avery Dennison also conducted joint marketing promotions with its printer manufacturer partners.

Meanwhile, Avery Dennison moved forward to meet the needs of PC users by developing its own software. The company entered the software business in 1988 with Avery® LabelPro™, providing PC users with the ability to easily design and print Avery labels and other products. The program was developed for all operating platforms: DOS, Macintosh, and eventually Microsoft® Windows.

In 2000, the company launched Avery Print from the Web, a free application that enabled consumers with access to the Internet the ability to format and print Avery products directly from the Web with no special software needed.

In addition to Avery brand office products, Avery Dennison develops, manufactures, and markets a wide range of products for consumer and



industrial markets, including Fasson-brand self-adhesive materials, automated retail tag and labeling systems, peel-and-stick postage stamps, reflective highway safety products, and specialty tapes and chemicals. In 2001, Avery Dennison's sales were \$3.8 billion. The corporation employs more than 17,300 men and women in more than 200 manufacturing facilities and sales offices in 39 countries around the world.

Avery Dennison ranked 430 on the Fortune 500 list of largest U.S. industrial and service companies in the year 2000.

THE PRODUCT

Avery Dennison manufactures and markets more than 6,000 Avery brand products. There's hardly an application in the office that isn't made a little easier or a little better thanks to an Avery brand product. From mailing labels to markers and from CD labeling products to sheet protectors, Avery Dennison offers a broad array of products for the office.

The name "Avery" is practically synonymous with the word "self-adhesive label." Avery brand labels are so well-known by consumers that some of them know Avery labels by their product numbers, such as 5160™. The company is the world's leading manufacturer of self-adhesive labels and provides a wide array of labeling solutions for consumers in the area of mailing and shipping, organization and filing, electronic media, and identification. From promotional labels in neon colors to return address labels in metallic foil, Avery Dennison provides consumers with a multitude of choices for almost every occasion.

Avery Dennison takes great pride in the quality of its products. All of its products come with a product guarantee and provide consumers with a number of unique, patented innovations and solutions. For instance, Avery Dennison has introduced mailing labels that are guaranteed not to jam laser printers. The company has also developed highlighters that are guaranteed not to smear.

RECENT DEVELOPMENTS

Avery Dennison continues to be the leader and innovator in the office products industry. Some recent examples:

- The blank CD media market is experiencing explosive growth as consumers turn to CDs for everything from personalized music CDs to digital photo albums to data storage. Avery Dennison is the leading provider of CD labeling and application products, which make it easy for consumers to customize and organize their CDs.
- Digital cameras will soon overtake analog cameras as the most popular camera in families' homes. However, despite their popularity, consumers are frustrated by a "chain of pain" that makes it difficult to edit and print their own digital photos. To help solve the problem, Avery Dennison has teamed together with Microsoft, and the companies are co-marketing new Avery Digital Photo Paper with Microsoft photo editing software in every package. The Avery paper features a patented technology to make photos "snap out" easily with no perforations for a sharp, professional look.
- Avery Dennison is taking this same "quick and clean" technology to the office with its line of



Clean Edge Business Cards. Now anyone can easily customize and print his or her own professional-looking, smooth-edge business card that snap out of the sheet with no perforations. With Avery Clean Edge Business Cards, printing your own cards is easier than going to a professional printer, but your results will still look professional.

- Sometimes even small innovations make a big difference. Avery Dennison is a leader and innovator in the divider category. As anyone who has burned the midnight oil before a big

Dennison's traditional sales channels, and limited versions are available for free on the company's Web site, www.avery.com. The Web site also offers another free service, Avery® Print from the Web, which allows consumers to print directly from the Web without the need for special software.

Keeping the consumer "top of mind" is an important component of the company's business strategy, and Avery Dennison maintains a toll-free customer service line to respond to consumer questions about its products.

Great results begin with Avery!™



BRAND VALUES

Avery Dennison makes achieving great results with office, home, and school projects easy by providing a broad range of products and the tools to do the job. From easy and free downloadable templates from the Web to software, Avery Dennison provides tools that make it simple for consumers to format and print their projects.

Office professionals the world over know the Avery brand. For them, the brand represents a "trusted friend" who works hard for them and helps them portray a professional image. The rapid pace of technological change affects everybody. Avery Dennison is helping consumers harness the power of that change by making technology easier to use and helping them be more productive and empowered.

presentation knows, putting together multiple sets of presentations can be time-consuming. Thanks to Avery Index Maker® Dividers with "Easy Apply" labels, labels for all sections of a set of dividers can be applied one at a time, saving a lot of time and hassle.

PROMOTION

Avery products can be purchased from office superstores, office products dealer catalogs and Web sites, mass merchandisers, wholesalers, computer retailers, warehouse clubs, electronics retailers, mail order services, and drug and grocery stores.

Avery Dennison works with several leading software manufacturers to ensure that Avery templates are available in most popular software titles. For instance, more than 450 templates for Avery products (more than any other brand) appear in the latest version of the number-one word processing software program, Microsoft® Word.

Avery Dennison also offers consumers its own software, Avery® DesignPro™, making it easy for them to do everything from format a project to merge a mailing list. The software is sold in Avery

THINGS YOU DIDN'T KNOW ABOUT AVERY DENNISON

- Company founder Stan Avery invented the self-adhesive label in 1935.
- More than 400 easy-to-format Avery product templates appear in Microsoft® Word and hundreds of other popular software titles.
- *Avery.com* features free downloads of software, clip art, templates, and product information about thousands of Avery products.